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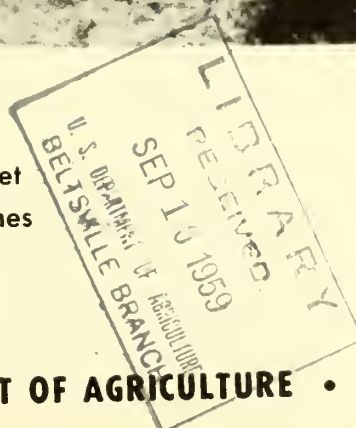
AGRICULTURE

JANUARY
1959



French farmer threshes wheat

Tropical Africa As a Wheat Market
Communist China's New Communes
Seven Years of Locust Warfare



UNITED STATES DEPARTMENT OF AGRICULTURE • FOREIGN AGRICULTURAL SERVICE

FOREIGN

AGRICULTURE

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To report and interpret world
agricultural developments.



GATT and the Common Market

January 1, 1959, marked the first anniversary of the European Economic Community, known as the Common Market. The New Year also marked the beginning of a gradual process of eliminating tariff barriers and bilateral quotas among the six member countries—Belgium, the Netherlands, Luxembourg, France, Western Germany, and Italy.

Prominently in the news these days, the Common Market tariff and trade adjustments stem from the Rome Treaty which established the Community. But the adjustments now taking place are only forerunners of further changes proposed in both the internal and external tariff structures of the six countries—changes which also vitally concern the United States and other GATT trading partners of the Six.

These tariff adjustments now in prospect presage a general round of negotiations within the framework of the General Agreement on Tariffs and Trade. At the recent Session in Geneva of the Contracting Parties to the Agreement, plans for such negotiations were actively discussed, and in next month's issue of *Foreign Agriculture* we will report on them, with U.S. interest and participation in mind. We will also review the tariff provisions of the Rome Treaty.

Cover Photograph

This French farmer threshing his wheat is typical of the thousands of European farmers whose future earnings could be affected by the new Common Market tariff adjustments.

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Courtesy Belgian Embassy

In growing towns like Leopoldville's "African Cities," more bread is sold than in rural areas (Nigerian market, right).



Courtesy Nigerian Information Service

Tropical Africa: Growing Market for Wheat and Flour

THE RAPID INCREASE of bread consumption since World War II has been a striking development throughout tropical Africa.¹ Since local production of wheat is negligible, this expanded bread consumption has meant a steady and very substantial increase in imports of wheat and wheat flour. The evidence seems to point overwhelmingly toward still further growth of these imports—probably at a rapid rate—for at least the next decade or two.

During 1957, wheat and flour imports (in terms of flour) reached an alltime high of close to 400,000 metric tons. This volume is, of course, still small for a region as tremendous as tropical Africa. Per capita flour consumption was only about 3.8 kilograms.

By **BRUCE F. JOHNSTON**
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Recent import levels are impressive, however, when compared with those of a decade or two ago. In 1934-38, imports of wheat and flour (again, in flour equivalent) averaged only slightly above 50,000 metric tons a year. But for 1948-50, the average was 2½ times higher; and since then, imports have continued to increase. In 1951-54, they were about 75 percent above the 1948-50 level, and the record of 385,000 tons in 1957 represented a further increase of 65 percent from 1951-54.

Local Wheat Production

Nowhere in the territories under discussion is wheat produced in substantial quantities. Small quantities are grown in the eastern highlands of the Belgian Congo, in Angola, and in the Federation of Rhodesia and Nyasaland. In the Belgian Congo, cultivation succeeds at elevations above about 5,400 feet. In Angola and the Federation,

wheat is grown mainly as an irrigated crop during the relatively cool and dry winter season.

Throughout the high-rainfall regions of tropical Africa, the combination of high temperatures with high humidity favors plant diseases and makes successful wheat production impossible.

In areas such as the huge Sudan zone, which stretches across the continent just south of the Sahara, it is lack of effective moisture that discourages wheat growing. Even though large parts of this area receive more annual rainfall than do some major wheat regions of the world, high evaporation rates and rapid runoff make this precipitation less valuable.

Consumption Trends

The territories vary considerably in their per capita consumption of flour. Some variation would be expected simply because of differences in consumer preferences for bread as compared with other foods—rice, for example, imported or domestic. Also, flour consumption has probably varied along with the degree of attachment to local

¹ For the purposes of this article the term tropical Africa includes only the following territories of west and south Africa which the author recently visited or studied: Angola, Belgian Congo, Federation of Rhodesia and Nyasaland, French Cameroons, French Equatorial Africa, French Togo, French West Africa, Gambia, Ghana, Liberia, Madagascar, Mozambique, Nigeria, and Sierra Leone.



Courtesy Ghana Information Service

At Ghana's burgeoning port, Tema, a flour mill is scheduled for construction. This is part of the industrial expansion taking place in tropical Africa.

staple foods like manioc, yams, corn, plantain, cocoyams, and millets.

There can be little doubt, however, that the two main factors accounting for the wide differences in per capita consumption of flour in tropical Africa are the degree of urbanization (as measured by the size of the urban population in each territory) and the level of income, or purchasing power. Income statistics are almost totally lacking for these areas. But as a rough indicator of purchasing power, we may use the value of exports in a recent period; for in these territories export earnings often account for much of the total monetary income.

One can scarcely exaggerate the influence of urbanization on the post-war increase of flour consumption in tropical Africa. Although a mere 9 percent of the population lives in cities of 5,000 or larger, bread consumption is largely concentrated in these urban areas, and more especially in cities of, say, 30,000 or larger. It is there that African consumers are likely to have the money to add bread to their diets and the attitudes most favorable to such a change. Indeed, the per capita flour consumption figures shown in the table (see back cover) are in a sense misleading, for they are an average resulting from the much higher city consumption combined with the slight or negligible consumption of the countryside.

Nowhere in tropical Africa, however, has bread become a major staple food among African consumers. Even in the large cities, it seems to have been added to the traditional staples and not substituted for them. In Senegalese cities studied by one researcher, many people eat bread at breakfast, often with coffee or tea or perhaps simply with sugar; and this accounts for most of the bread consumed there. But in the traditional diet, breakfast appears only rarely if at all. Elsewhere, bread is most commonly eaten at lunch, particularly by dock laborers and other wage earners. Frequently, bread is available in the form of small rolls and quarter loaves, and is bought for snacks during the working day. These snack purchases make up an appreciable part of total bread consumption. It is likely that bread purchases in the urban areas represent an increase in total calorie intake as compared to that of the traditional village or tribal diet. Such an increase would seem a logical result of the sustained activity that urban employment normally requires.

Food preferences are a personal and complex matter, and a complete explanation for the growing popularity of bread among African consumers is scarcely possible. Yet certain factors may be mentioned, for they throw light on the increase that can be expected in flour consumption.

For townspeople, and especially for the many single men who have taken jobs in the cities, the convenience of bread is an important advantage. It is always ready to eat; no local food staple is quite as easy to carry. Another factor is the increased familiarity of African consumers with bread as its use has become more common. Eating bread seems to be regarded as the "modern" thing to do. In many city households bread is the appropriate food to serve to guests.

In terms of its price per 1,000 calories, bread is in general a little more expensive than rice and something like two or three times as expensive as corn meal and manioc. However, the fact that bread is bought ready to eat so that no firewood is required brings down its total cost as compared with that of cooked rice. Moreover, in several periods since World War II when local food prices have risen sharply, the increase in the price of imported flour has been comparatively moderate. This has narrowed the price premium that consumers must pay for bread.

There is considerable evidence bearing on the response of flour consumption in tropical Africa to the growth of income—the income elasticity of demand, in the jargon of economics. Appreciably more bread is sold early in the month, just after workers have received their pay, than at other times. Bakers in Leopoldville say that bread consumption falls off during the first 3 months of the year because taxes must be paid then. A marked rise in bread consumption has been noted in Senegal during a year when the peanut harvest is large and export prices favorable; and in Mamako in the French Sudan, bread sales are reported to decline in the off season when peanuts are not being marketed.

Government Import Policies

The governments of tropical Africa vary widely in their attitude toward imports of wheat and flour.

Imports of flour into Ghana, Nigeria, and Sierra Leone have for all practical purposes been unrestricted in recent years.

The Belgian Congo does not restrict imports of flour or wheat, nor does it discriminate as to the source. Wheat

and flour are also exempt from the 25 percent ad valorem duty applicable to some other grains.

In French Tropical Africa, as in other French overseas territories, imports of U.S. or Canadian wheat are permitted only in exceptional circumstances. This is due to a shortage of dollar exchange and to the fact that metropolitan France ordinarily has an exportable surplus of wheat. In 1956, French Africa imported considerable U.S. wheat when supplies were short in France, and the next year it imported 10,000 tons of U.S. hard wheat to be reexported as flour.

Official quarters seem to recognize that it would be advantageous for the Dakar mills to be able to mix a certain percentage of North American hard wheat with the soft wheat from France. However, in view of France's foreign exchange problem, the pressure to find outlets for its own wheat surplus, and the strong control of the grain trade by the Office National Interprofessionnel des Céréales (ONIC), it seems unlikely that purchases of U.S. or Canadian wheat will be permitted for some time except when the French crop runs short.

In the Federation of Rhodesia and Nyasaland, imports of wheat and flour from North America are subject to

allocations of dollar exchange. These allocations are generally sufficient to allow imports of Canadian or U.S. hard wheat equivalent to about 15 percent of the total import requirement. The Rhodesia Milling Company acts as the wheat importing agent for the government. Wheat imports from the United States and most other countries are subject to a 5 percent import duty, but those from Australia and Canada enter duty-free because of Empire preference. There is an import duty of 4 shillings sixpence on flour from Commonwealth countries and 5 shillings on flour from the United States and other countries, but this duty is suspended at present. Flour imports, however, are subject to import licensing, and government policy is to protect Rhodesian mills by issuing licenses only for flour imported into Nyasaland.

In Mozambique, wheat and flour imports both require licenses. Since construction of a local flour mill, the government has permitted no flour imports except for small quantities of special-purpose flours. Wheat import licenses, however, are freely given. Australian wheat dominates Mozambique's imports; reasons cited are the price advantage and steamship connections.

In Angola also, import licenses are required. These are granted by a

Cereals Control Board (Junta dos Cereais) in Luanda, which estimates the annual import requirements for flour and two or three times a year invites bids to meet them. In principle, bids are selected according to price and quality. In practice, however, and to a degree that is still obscure, the decision may rest on considerations like bilateral trade agreements.

Prospects

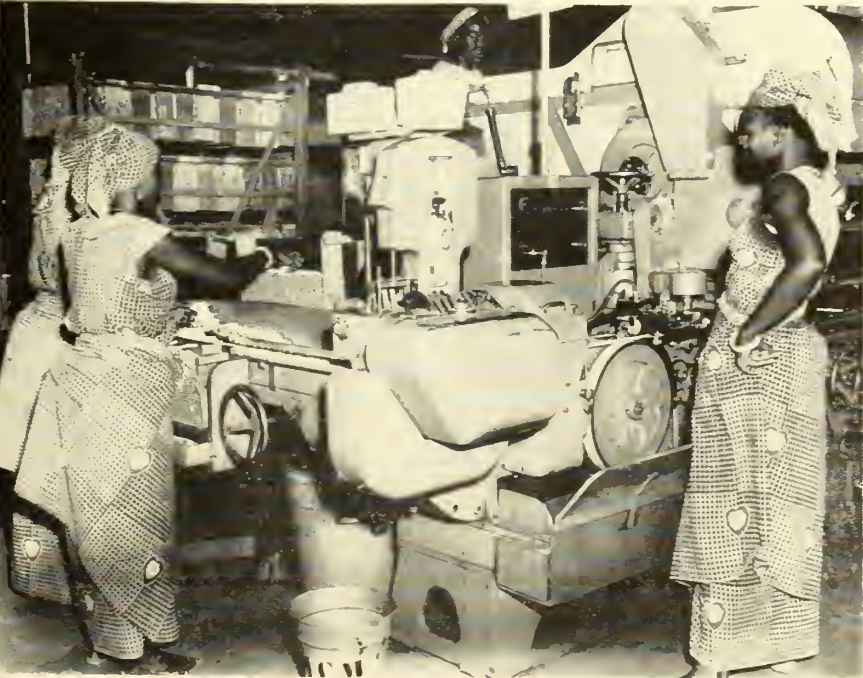
It is a reasonable guess that the import trend of the last 5 or 10 years will continue. Since total 1957 imports of wheat and flour were slightly more than double 1950's, imports by 1965 might approach 800,000 tons.

Of decisive importance in the future growth of demand will be the progress of economic development. The continued growth of cities, to which bread consumption is closely tied, is clearly sensitive to the rate of investment and income growth that goes along with expansion in agricultural and mineral exports and in local manufacturing and service industries. Trends in world prices of minerals and agricultural commodities important to Africa, together with the rate of growth in the volume of exports, will largely determine the availability of foreign exchange for imports and will

(Continued on page 22)

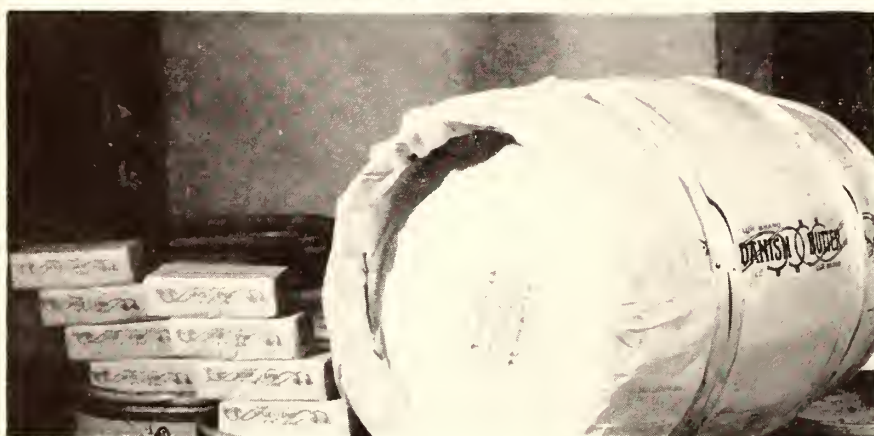
In the Belgian Congo, as elsewhere in Africa, factories attract workers to cities. Left, cigarette plant, Stanleyville; right, cotton mill, Leopoldville.

Photos courtesy Belgian Embassy





Quality problems got serious attention from U.S. tallow industry, for big use is in Japan's fine soap, like this.



Courtesy Danish Embassy

Canadian wheat, like this being cut on a Prairie farm (left above), is noted for quality the world over. So is Denmark's Lur butter (left).

The Buyer Wants the Best

AFTER WORLD WAR II when food was in short supply, devastated areas competed for any and all farm products available in the few surplus-producing countries. But this is no longer true. Today's market is a buyers' market where quality counts, and in this market buyers can pick and choose. If the commodities from one country do not meet their standards they can purchase elsewhere—and this is exactly what they are doing.

No country with money to buy what it wants will take fruit that is poorly packed, wheat not suited to its needs, or cotton of an inferior grade. Buyers will go to those countries that have built up a reputation for the fine quality of their merchandise. Canada they know can be counted on for excellent

wheat, Denmark for outstanding butter and bacon; for the finest copra they will go to Ceylon, for the best wool to Australia.

The United States ranks high among the countries noted for the quality of their export products. U.S. fruits, for example, have set a standard of excellence for the world, and its poultry industry is opening up new markets. U.S. cotton has held a strong position in world markets for years, as have tobacco and many other U.S. products.

Fruit has achieved its standing in many ways. Producers have stressed uniformity, and they have pioneered in packaging. Their apple pack—the so-called Western boxed—has been adopted by the world's leading apple producers, for example, and their stand-

ard lug for grapes has replaced the sawdust chest. In canned fruit, the United States has become a specialist, with thousands of farmers producing specifically for the industry.

Poultry quality will be maintained by a recent law which requires that every broiler and turkey carcass be inspected and passed for wholesomeness under sanitary conditions before it is exported. Quality in grains is also insured by official standards.

It should not be inferred that U.S. products are above criticism. The most recurring complaint has been that buyers do not always get what they pay for. Generally this has resulted from lack of understanding between buyer and seller and it has been particularly common for wheat and certain feed

grains. To clarify things, the U.S. industry is disbursing information on U.S. grades, standards, and supplies.

A criticism aimed at U.S. corn—that its carotene content is too low to produce the high yellow skin coloring that European buyers demand in poultry—is not actually a quality complaint. Nevertheless, researchers have found that they can add this element to mixed poultry feeds to satisfy the European customers.

U.S. fruits, fine as they are, have received their share of criticism, but the main one was of unsatisfactory shipping practices rather than poor quality fruit. And here the United States learned from another exporter.

A major problem of fiberboard apple packaging was the need to learn new methods of handling, stacking, and stowing. As a result of extremely rough treatment on docks at foreign ports, packages broke and fruit was damaged. New Zealand pioneered in overcoming this problem by packing a number of standard boxes in a steel-mesh master container, which must be handled by slings, thus preventing rough treatment. The United States followed New Zealand's lead with a pallet, on which a number of boxes can be secured with steel straps, achieving the same result. Further, the U.S. Department of Agriculture and the fruit industry have undertaken research to improve transport conditions.

The United States also had some trouble when it first began using polyethylene box liners for cold storage shipping of pears. Because pears breathe, they smothered themselves in the nearly airless containers after they were removed from cold storage. This problem was resolved simply by puncturing the lining to allow air to reach the fruit.

U.S. cotton is another victim of rough handling. Cutting one or even two metal straps at foreign ports to permit sampling sometimes causes the whole bale to burst open, and as a result, some of the cotton picks up dirt in subsequent handling. USDA and cotton industry representatives are now studying the problem in Europe and the Far East in hopes of working out a remedial program.

The U.S. livestock industry has made great strides in improving the

quality and standards of its products. The greatest progress has been in cattle hides and, to a lesser extent, in calf and kip skins. The U.S. Foreign Agricultural Service and various U.S. hide associations sent teams to Europe and Japan to study claims that U.S. skins were inadequately defleshed, carelessly washed, insufficiently packaged, and in some cases improperly cured, with holes or weak spots in the hides as a result of grub infestation.

These teams found that there was some justification for these claims, and they made certain recommendations that the industry has acted on. But even more important has been the development and use of a grub-killing insecticide. Another innovation that should boost future quality is a new machine designed to dehair and deflesh hides more efficiently.

On-the-spot studies by U.S. teams also helped solve the major tallow problems. Until 3 years ago, buyers—particularly from Japan, the major tallow market—complained that the United States used second-hand drums which caused staining and contamination of the tallow. The Japanese also claimed that the tallow shipped did not meet the specifications on the export certificate.

A study showed that most of the fault was not in the tallow but in improper shipping facilities, which caused fatty acids to increase after export specifications had been made.

The problems of the variety meat industry are not so easy to solve. To its disadvantage is the practice in some foreign markets of thawing variety meats for inspection and then refreezing them. This sometimes causes them to deteriorate so badly that they have to be processed. But until some change is effected in these inspection practices, there appears to be nothing that can be done about it.

The tobacco industry, on the other hand, resolved the complaints against its flue-cured production quite simply. About 2 years ago, it seemed that farmers, in order to get the largest possible poundage per acre, were growing some new high-yielding varieties, which had not been fully tested. The USDA cut supports on these undesirable varieties and production was negligible the following season.



Merchandising plays an important role in quality. Rough handling at ports can bring complaints against products. U.S. cotton (above) and fruit (below).



This stamp on U.S. meat animal carcass means it has been inspected and passed for domestic sale or export.



Shift in Belgian Policy Favors Feed Grains

BELGIUM'S FARMERS in recent years have been hard pressed to cope with mounting costs and competition from abroad. Thus the government has felt compelled to intervene more actively on behalf of agriculture than it did in the early postwar years. An example of this intervention is the license tax on imported feed grains, introduced in August 1957 and doubled last summer. The increase made the taxes equal to about one-third or more of last year's prices for rye, barley, and oats, with a lower tax for corn.

It may seem surprising that the government has resorted to a measure which will have the effect of increasing the cost of production for the livestock farmers (as well as the cost of livestock products to the consumer). Farming in Belgium is primarily livestock farming, and imports of feed grains—close to 1.5 million tons a year—contribute importantly to Belgian output of milk, meat, and eggs.

The government's objective in choosing this policy was apparently twofold: To get a more desirable relationship between the production of wheat and the production of feed grains, and to put a brake on the increase of livestock production. At the same time, the higher price for Belgian coarse grains, brought about by the tax on imports, would increase the income of the farmers who sell these grains, and the revenue from the tax could be used to compensate the livestock farmers who purchase them.

Belgian wheat production has been increasing rapidly. Before the war it came to some 16 million bushels but it averaged 20 million in 1950-54 and came to 27 million bushels in 1957. Preliminary figures for 1958 indicate a still larger crop. The expansion of wheat production has occurred because

the government sets a target price for wheat—well above the price of imported wheat—and makes it effective (or nearly so) by requiring the incorporation of a prescribed percentage of domestic wheat in total millings. Production has increased to the point where millers find it difficult to utilize the prescribed quantities of the soft domestic wheat and still produce flour of acceptable quality. To ease this problem the government during the 1957-58 crop year introduced a subsidy for millers which makes it possible for them to export some of the Belgian wheat and import more wheat of the desired quality instead.

In view of these problems in using Belgian wheat, the government does not desire any further increase in wheat production and would prefer to see a reduction. It is hoped that the higher prices of domestic feed grains will cause some shift away from wheat. An announcement by the government that the 1958-59 wheat price may not be maintained for 1959-60 was apparently also designed to encourage the hoped-for shift.

If the higher feed-grain prices should have the effect of curbing the expanding livestock production, this will also be considered an advantage. Belgium, though deficient in the production of grains, fats, and fruit, is nearly self-sufficient in livestock production and at times has export surpluses of pork and eggs. In early 1958 troublesome surpluses of butter also developed. But Belgium is a high-cost producer compared with the two major exporters of livestock products, Denmark and the Netherlands; thus at present it must provide large subsidies if it is to export. And in the critical situation on the European butter market in early 1958, Belgium

could not move its surpluses at all.

It goes without saying that Belgian farmers who have feed grains to sell will gain by the import tax measures and those who grow their own feed grains will at least not stand to lose thereby. But among the farmers who buy feed grains two groups especially will be hurt by the higher grain prices. One of these groups is the small livestock farmers, who cannot expand their grain acreage to any considerable extent, and who, to make a living, must keep up a high level of livestock production with the aid of purchased feeds. The other is the farmers in the grassland regions, where conditions of soils and climate make expansion of grain acreage impossible or inadvisable. The government therefore intends to compensate these groups of farmers by granting them subsidies out of the funds obtained from the import tax.

The Minister of Agriculture, when speaking of the new feed-grain policies in September 1958, emphasized that they were to be tried out for one year and the results then assessed. Some farm groups are opposed to the measures, and a spokesman for an important farm organization has expressed the hope that the government will reconsider these policies.

Certain other considerations, however, point to a continuation of import charges on feed grains, if perhaps in some other form. Belgium is one of the six countries which have formed the European Economic Community (EEC) and which on January 1, 1959, will take the first steps towards co-ordination of their foreign trade policies. Among these six Common Market countries, France has very high import duties on feed grains—rates of 30 and 40 percent¹—and both France and Germany include feed grains in their protectionist marketing systems. Common import duties of 9 to 16 percent for the EEC area are contemplated, and other measures to protect the countries' feed-grain growers are to be expected when the joint agricultural policies begin to take form. Therefore, prospects for a lasting return to free feed-grain imports into Belgium do not seem bright.

¹ These are the "book" rates. Tariffs on feed grains are suspended, imports being in the hands of a government monopoly.

Members of U.S. cotton group inspect Soviet cotton under broiling sun in Uzbekistan. The quality compares favorably with best quality U.S. cotton.



Photos by Charles H. Barber

U.S. Cotton Specialists Travel 10,000 Miles in Soviet Union

By CHARLES H. BARBER
Cotton Division
Foreign Agricultural Service

A group of six U.S. cotton specialists and an interpreter arrived in Moscow the night of September 7, 1958, for a 32-day tour of Russian cotton-producing areas and mills. The 10,000-mile tour included visits to collective farms, state farms, gins, experiment stations, and research institutions throughout the cotton growing areas. Five cotton mills were visited, two of them in Moscow and Leningrad. This report summarizes the impressions of the author; a more detailed report is being prepared by the entire team.



Picked as fast as the bolls open, Soviet cotton is spread on roads to dry.

THE USSR has announced a production goal of 10 million bales of cotton by 1965. Information from Soviet Government sources, available to us before we left Washington, indicated that the USSR is growing about 7 million bales of cotton, all of it in a latitude of 38-42°. (Our Cotton Belt is south of 38°.) We also learned that Russian mills consume about 5 million bales a year, that an additional 0.5 million (unspinnable qualities) are used in padded clothing, upholstery, and so forth, and that about 1.5 million

Members of the U.S. cotton delegation were Charles H. Barber, group leader, Foreign Agricultural Service; Victor L. Stedronsky and William M. Waddle, Agricultural Research Service; Edward J. Overby, Agricultural Marketing Service; William J. Martin, Extension Service; and Leonard J. Mobley, National Cotton Council.

are exported, mostly to eastern Europe. We checked these estimates as closely as possible and believe they are reasonably accurate.

Production, consumption, and exports of cotton at these levels place the Soviet Union in second place in all three categories as a competitor with other countries. So among the principal questions in our minds as we prepared for this trip were: Can cotton really be grown on such a large scale in areas that far north? Can the goal of 10 million bales—a 43-percent increase—be reached by 1965? And if the goal is reached, will the additional cotton be absorbed in the domestic market or exported?

Growing Conditions

More than 90 percent of Russia's cotton is grown in the midst of a

vast desert within 300 miles of the northern borders of Afghanistan and Iran. Here early-maturing varieties are used, and these plus irrigation and desert topography explain why cotton can be grown so far north. The remaining 7 or 8 percent is grown in the Caucasus Peninsula.

All Soviet cotton, except an insignificant portion, is grown under irrigation. The desert valleys extend east and west between ranges of barren mountains, a few of which have perennial snowcaps. Nearly all the water for irrigation of cotton fields in central Asia, however, is drawn from five rivers that are fed by melting snows in the high Tien Shan Mountains. Water is plentiful the year around and probably will not be a limiting factor in the cotton expansion program.



Left, cotton stripper, and above, cotton-picking machines lined up at machine service station in Uzbek. Most Soviet cotton machinery is efficient but obsolete in its design.



During the harvest huge mounds of seed cotton pile up at the gins, to be processed in the next 9 to 10 months.



All Soviet cotton is sampled before baling so bale covers are never cut.

The USSR produces about 450,000 bales of Egyptian-type cotton, most of it in the Republics of Tadjikistan and Turkmenistan. The bulk of Russia's cotton crop is made up of American upland varieties, some of which have been crossbred with an upland variety from Bulgaria. The quality compares favorably with the best quality of U.S. cotton, and because most of it is picked by hand it arrives at the market clean and white. Soviet cotton, however, is being damaged by improper ginning, which cuts the fibers. After frost kills the plants the last part of the crop is machine-picked. Strippers gather the immature bolls, which make up 10 percent of the total Soviet crop. This cannot be compared with U.S. cotton; in fact, it is unspinnable and is used for quilting, mattresses, and such things.

So great is the concentration on cotton growing in central Asia that it resembles the one-crop system that prevailed in the U.S. Cotton Belt 25 years ago. Alfalfa needed for winter feed is the only commercial crop used for partial rotation with cotton except for small fields of melons and rice. Cultivable areas are not used as pasture even for rotation. Livestock consist mainly of sheep, goats, burros, and a few cattle, tethered individually along the banks of irrigation ditches or tended by shepherds in rocky areas not suitable for cultivation. There are no fences among the cotton fields or pasture areas.

Lands nearest the sources of water

were developed first, which resulted in a heavy concentration of cotton cultivation in the eastern portion of Uzbekistan. This republic accounts for two-thirds of the Russian crop. Plenty of new land appears to be available for the planned increase by 1965 of 1.2 million acres in the cotton area—current acreage is 5.2 million acres. However, it is a major undertaking to prepare this land with earth-moving equipment so that irrigation water can be properly applied and proper drainage assured. The goal will probably be reached, but more likely after 1970 instead of by 1965.

Picking and Ginning

Farm labor appears to be ample, with most of it done by women. Nearly all cotton picking is by women, although picking machines are generally used for a quick finish of harvesting just before rainy weather begins in November. Farm workers are organized in groups of 25 to 50 people under one brigade leader, with each brigade on cotton work assigned 100 to 150 acres to tend.

Usually the cotton is picked as fast as the bolls open, then is spread out on highways or in other open places to dry for 4 to 5 hours before delivery to the gins. Huge mounds of seed cotton amounting to several hundred tons each are built up at the gins during the harvest period, and covered with tarpaulins. Better protection from winter weather is not considered essential because rainfall, practically

all of it during November-February, amounts to only 6 to 8 inches.

Most of the ginning machinery is old and the speed of operation is too high for best results. Some new machinery and, in some instances, new gins have been installed in recent years but much more will be needed if cotton production is to reach the announced goals. All gin presses pack cotton at high density of about 32 pounds per cubic foot. Samples are taken before the cotton is baled; therefore, bale covers are never cut for sampling. Most bales are covered with hessian cloth or cotton cloth and are tied with 10 strands of heavy wire.

Soviet cotton mills are producing mostly cloth of medium quality, in attractive colors but with a relatively narrow range of colors and patterns. The mill industry is being gradually expanded but apparently not as rapidly as cotton production. Most mills are operating from two to three shifts a day; nevertheless, overall production of cotton goods and clothing appears to be far below what is needed.

Home Use or Export?

Prices of cotton goods and wearing apparel are high in relation to wages and, in effect, provide an indirect system of rationing. Whether the additional cotton produced in coming years goes into domestic or export markets will depend mainly on government policy.

The domestic market could probably absorb most of a 3-million-bale increase in production if prices of cotton materials were lowered to permit greater satisfaction of consumer needs. In past years, however, both cotton and cotton goods have been exported regularly, either to generate foreign exchange needed for imports of producer goods or to meet the terms of barter agreements with other countries.

The most likely course, in view of current policy and economic trends, appears to be a division of the increase in production so that by 1970 an additional million bales can be sent into export markets annually, raising the total to around 2.5 million bales. This would mean diversion of another 2 million bales to local mills to provide more cloth for domestic consumers and for the textile export trade.

USSR's New 7-Year Plan Seeks To Up Farm Output 70 Percent

When the 21st Communist Party Congress meets in Moscow this month, Nikita Khrushchev will present his new Seven Year Plan (1959-65), which promises the Soviet people a higher level of living and sets ambitious economic and agricultural targets aimed at outstripping U.S. production.

The world was given a preview of this plan in mid-November when the Communist Party met in plenary session and Mr. Khrushchev submitted what he called "theses" of the plan. Approved by the session, it was released to the Soviet people; it will get its final and official stamp at this month's Congress.

Agriculture, according to the plan, will experience a "powerful upsurge in all branches . . . which will insure an abundance of produce and the complete satisfaction of the vital requirements of the Soviet people." And this, it is claimed, will be accompanied by a steady reduction in the prices of agricultural products and a further improvement in the people's well-being.

The target set for agriculture foresees a 70-percent increase in total production by 1965, compared with 1958. By commodities, the targets are:

		Goal	Percentage increase
Cotton	Mil. tons	57-61	35-45
Sugar beet	do	70-78	80-100
Oilseeds	do	55	70
Flax	Thous. tons	580	32
Potatoes	Mil. tons	147	60
Meat	do	16	100
Milk	do	100-105	70-80
Wool	Thous. tons	548	70
Eggs	Billion	37	60

The percentage increase for grains is not indicated but a goal around 164 million tons is set for 1965. Fruits and berries are scheduled to increase 100 percent, with grapes increasing fourfold. No goal is set for vegetables other than to satisfy the people's needs.

The big push will be in grain production. Besides boosting output, farmers are directed to concentrate on the most valuable hard wheat varieties and the best varieties of buckwheat and pulses. The area planted to oilseed

crops is to be expanded in the Urals and Siberia as well as in Kazakh.

In livestock, the principal task for the 7-year period is to up the output of meat, milk, eggs, and wool. Long-horn cattle are slated to increase 3.2 times, sheep 2.2 times. To insure these increases, Soviet farmers are warned to overcome the "backwardness" in fodder production. Corn yields, they are told, can be raised to 5,000 tons of green corn and cobs per hectare, and pasture and meadow productivity increased 50 percent.

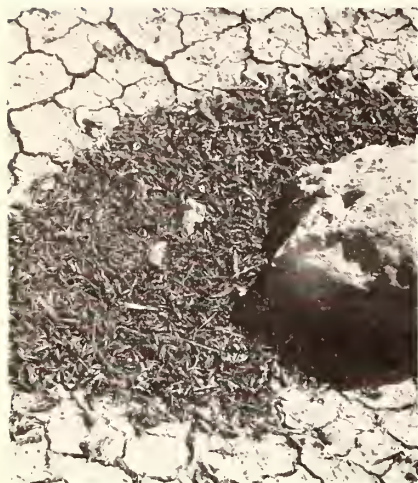
High yields through better utilization of the soil is the means by which the Soviet Union expects to achieve these targets. By 1965, yields of the main agricultural products are expected to top *present* production in the United States. To accomplish this, Soviet authorities plan to introduce "correct" crop rotation schedules on every collective and state farm, to use high grade seeds in the sowing of all crops, to expand the irrigated land in the cotton-growing areas, and to improve the soil in the northwestern and western regions.

The target figures for fertilizers envisage a jump from 13.1 million tons in 1958 to 31 million in 1965. In this 7-year period, the plan calls for the production of 1 million tractors, 400,000 grain combines, and large quantities of other machinery; also, virtually all collective farms are to be electrified.

Singled out for a bigger role in Soviet agriculture are the state farms, which are instructed to serve as models for the collective farms by obtaining the maximum yield of production with the least expenditure of funds and labor. Collective farms are told that they must double their labor productivity in the 7-year period, while state farms are to raise theirs 55 to 60 percent. The private plots of the collective farmers appear to be doomed by the statement that as the collective farms develop further "the supplementary husbandries will gradually lose their significance."

Right, Iraqis load spray plane for locust attack. Country now has its own planes and is battling other pests. Below, dead locusts, the result of airspraying.

SEVEN YEARS



Right, Afghanistan plant protection official explains to farmers the use of chemicals to control insects. Below, village children in Pakistan examine the dead locusts.



Right, Pakistani loading water from river to dilute the powerful insecticide, aldrin, sprayed by the planes.



Below left, Iraq team mixes date palm dust to control leafhoppers. Right, Indians use jeep with power duster on eggfields where the locusts breed.



OF LOCUST WARFARE

An international project that has saved crops and helped avert threats of famine

Hit by the worst locust outbreak in 80 years, Iran in 1951 appealed for help to prevent these ravenous insects from leaving a trail of ruined crops in their wake. The United States responded, through the Department of Agriculture and the Technical Cooperation Administration. U.S. entomologists went to Iran, followed by three large planes transporting chemicals and several spray planes. The locusts were destroyed.

From this beginning developed the Regional Insect Control Project, which for the last 7 years has carried on operations in the Near East, South Asia, and Africa. No sooner had the effectiveness of the campaign in Iran been demonstrated than India and Pakistan asked for help. Iraq joined too. By 1953 all of these countries had their own planes and equipment, their own trained technicians, and the locusts were well under control.

This enabled the project engineers to expand into other countries and to tackle other pests. In Western Pakistan, farmers were shown how to destroy a stem borer that was killing crops, in Afghanistan the Senn pest was attacked. Today the emphasis is on plant quarantine; and already two countries, Afghanistan and Ethiopia, are considering laws to establish facilities.

A report on this project, recently published by the two cooperating agencies, the USDA and the International Cooperation Administration, tells how all of this was accomplished. But it also tells an amazing story of international working together. Particularly significant is the steady increase of financial support by local governments and the steady decrease of U.S. dollar support.

The pictures on these two pages appear in this report, which goes by the title *Locust and Other Insect Control in Technical Cooperation Programs in the Near East, South Asia, and Africa*. Mis. Pub. No. 770, and which may be purchased for 70 cents, Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

Pakistan mango growers spray trees to eradicate leafhoppers. Country now has 14 plant protection offices.



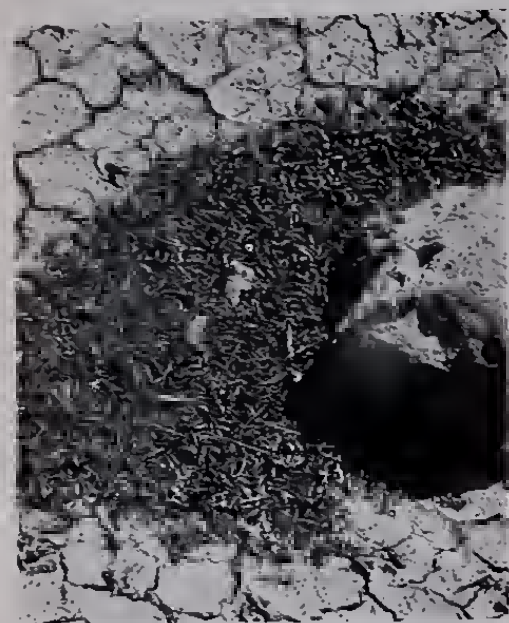
Plane takes off from shores of Dead Sea, 1,286 feet below sea level, to spray for mosquito control in Jordan.



Quarantine officers in training course in Baghdad examine fruits and vegetables from nearby countries. Below, learning to work the drum-type fumigating chamber.



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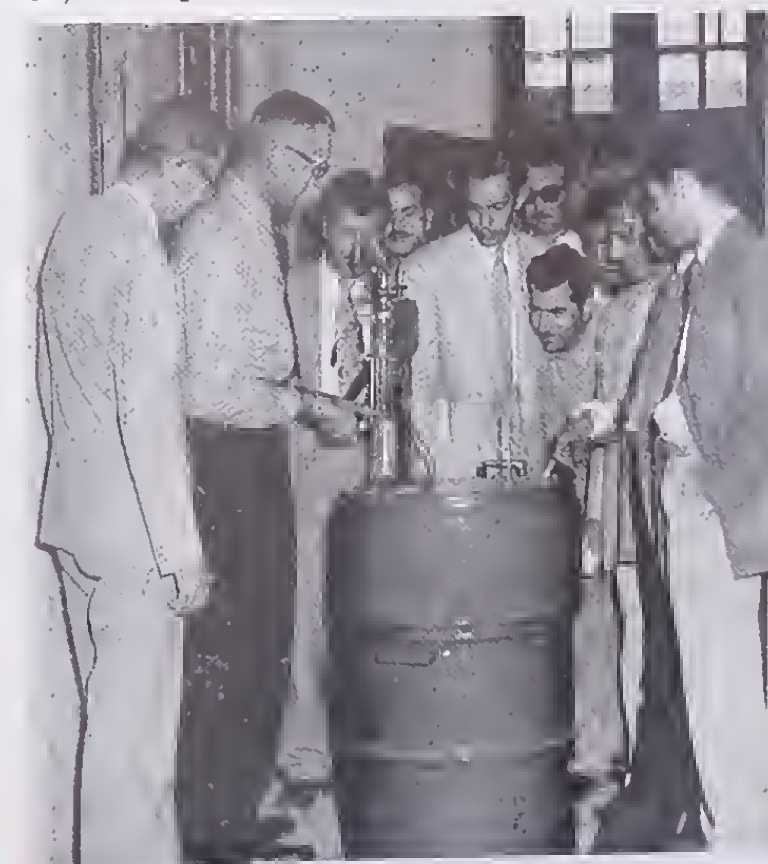
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Village scene near Tientsin. Under China's communal plan families will live in dormitories, children in nurseries.



China's cities will be communalized too if the Communists carry out their goal of completely mobilizing the people.

Communes Signal Tighter Controls Over China's 500 Million Peasants

By HUGHES H. SPURLOCK
Far East Analysis Branch
Foreign Agricultural Service

COMMUNIST CHINA threw the full power of the state behind a drive to achieve rapid advances in agricultural production for 1958. Officially, the period has been dubbed the year of the "great leap forward in agriculture." Incredible gains in production, largely discounted by Free World observers, have been claimed.

Towering above the great work effort, however, has been the far-reaching decision and the subsequent move to organize the countryside, cities, and villages into communes. This step overshadows other developments during the period; implications reach all sectors of the Chinese economy and since China is the second largest agricultural country in the world, with more than 500 million people living on the land, the switch to the commune-type organization will have special implications for China's agricultural production and trade.

The exact date when the Chinese authorities decided to communalize the country is not known. The movement began to attract attention outside of China in early 1958. By midyear it was plain that the shift to the commune-type organization resulted from a top-level policy decision and that the movement was to go forward.

Since mid-1958 the commune movement has mushroomed. Within a matter of months it was claimed that more than 90 percent of the population had been organized into 23,384 communes. Undoubtedly, most of this organization work relates primarily to paper transitions, with physical changes to follow. Four to six years have been mentioned as the amount of time required for the transition.

This rather sudden and major move has not developed far enough yet to permit an assessment of what the results might be. But it is none too

soon to become familiar with the nature of the movement and its intents and purposes. Several questions relative to agriculture come to mind. How do the communes fit into the Communists' long-term plans for organizing agriculture? What basic changes in current organization are in prospect? What agricultural problems are communes intended to solve, and what is likely to be the peasants' reaction to the new pressure now closing in?

Organizing Communist Agriculture

The Chinese Communists have been following a fairly typical Communist plan for organizing agriculture step-by-step. Each move has been carefully calculated to accomplish two major national objectives, namely, (1) to build up a technologically backward, agricultural China into a powerful nation based on a heavy industrial complex, and (2) to build a Com-

munistic society based on the teachings of present and past Communist leaders.

The regime has relied on control and force to pursue these objectives swiftly. Consequently, it is not surprising that the state, since coming to power in 1949, has initiated a series of moves that have these two things in common: First, a mechanism for steadily increasing controls over the political, social, and economic activities of all the people and imposing state control over the use of every economic resource; and secondly, a means of destroying the existing social and economic structure so as to pave the way for a Communistic society. Communalization falls into this framework of planned progression and will be tried, accepted, or rejected in large part on this basis.

The communes also fit in well with the pattern so far. Between 1949 and the end of 1952, the Chinese Communists carried out land reform. Subsequently, they brought about three additional organizational changes, beginning with mutual aid teams, and progressing to the so-called producers cooperatives, and to collectivized agriculture. Communes are another advance, a fifth step. If these are successfully implemented, they will drastically change China's agricultural organization, and China itself will become the most thoroughly garrisoned nation in history.

What the Communes Are

Communes have been formed by consolidating several collective farms

into larger and, the Communists hope, economically stronger organizations, the size being influenced by geographic and demographic conditions. Besides farming, the communes will take on such functions as light manufacturing based on processing farm products and supplying the peasants with necessary farm equipment and supplies from local resource deposits. Also, communes will engage in trade and credit supply functions serving their members. They will provide nurseries for working mothers' children, educational and health facilities, homes for the aged, public mess halls, dormitories, barber shops, tailor shops, and so on. In short, they will become the center of life, economic, political and social, for the people. Hit the hardest by this change is the traditional and closely knit Chinese family unit.

According to plan, communes are to become economically self-sufficient so far as possible. This is in keeping with the government's recently initiated program of decentralization of industry; for, as the authorities see it, communes would become the basic production unit for speedy development of small-scale local industry in thousands of locations throughout the countryside. Also, the larger-sized communes would help provide labor, materials, and money at the local level for handling the bigger irrigation projects, for building fertilizer plants, and for other jobs closely related to the most pressing problems in agriculture.

These are some of the problems that the state is coming up against

and attempting to solve. By tailoring the size of the organization to the changing demands of economic needs, the communes—so the Communists contend—make a more rational use of labor and other resources. Labor can be readily transferred from one area to another and can be switched back and forth from agriculture to industry. Resources can be drawn from a larger area to develop projects of common interest.

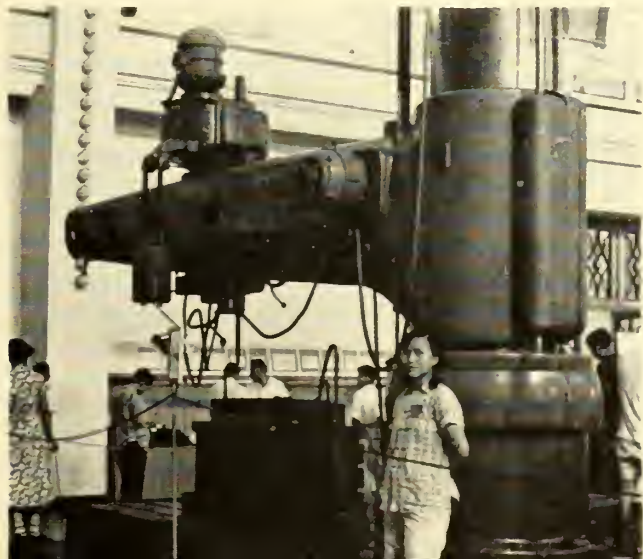
Tighter Control of Peasants

Of the utmost importance is the tight control that the Chinese government gains over the peasants. In the communes labor is being organized

Grain sacked and waiting for transportation. China is having trouble moving its foodstuffs to urban areas.



China's determination to industrialize is dramatized by the machinery shown at its Industry Exhibit in Shanghai.



On the farms it's a different tale. Labor is largely manual and the machines, like this cotton sprayer, are obsolete.



along military lines, and that this means rigid discipline and command performance is obvious. Such a military set-up is not only a mechanism for ordering the people to undertake assignments but a way to get them on the job early, to keep them late, and to quicken the pace for carrying out work. And attempts to get a stepped-up work effort will not be limited to coercion alone. The Communist regime is striving to arouse the population to an emotional pitch simulating wartime fervor, except that the enemy now takes the form of backward agriculture and backward industrial technology.

The common mess halls permit the government to control the use of food supplies. It is well known that Communist China has had great difficulty in collecting agricultural products for use in industry, for feeding industrial areas, military units, and schools, and, above all, for exporting. Several measures have been tried to make this task easier, but none have worked to the satisfaction of the authorities. So one of the very practical reasons for adopting communes could well have been the elimination of wage payments in grain. Discontinuing grain deliveries to the peasants' households would make the state's grain collection programs easier to enforce, since hoarding and illegal withholding of grains would become more difficult when the right to store grain is taken away from the peasants.

For China's farmers communal living also means that they will be required to surrender pigs, houses, small vegetable plots, cooking utensils, and other personal belongings to the commune. Not only will they take their meals in public mess halls but they will live in barracks or dormitories, and families will be subject to separation and sent to work in distant areas, with small children going to public nurseries.

Thus, China is moving quickly toward pure communism. The surprising element is not that the move is being made, since this is the goal of all Communist countries, but that China with a fledgling economy would rush such a drastic measure at this time, when the Soviet Union, after 41 years of experience, has not ventured nearly so far along communal lines.

Peru Will Continue To Import U.S. Rice

Lower rice output plus higher rice consumption made Peru the third largest buyer of U.S. rice in the crop year that ended July 31. The United States shipped Peru over 35,000 metric tons (milled basis), sending more only to Cuba and Pakistan.

On a calendar-year basis, Peru imported close to 45,000 tons (milled) in all of 1958. The United States has been top supplier, with the aid of foreign-currency sales under P.L. 480 and credit sales financed by CCC.

In earlier years, Peru could cover its own rice needs and on rare occasions export a little. But production in the last 3 years has fallen below the peak 177,000-ton level of 1952-54. The 1958 crop, harvested principally from May through August, is reported at only 1,000 tons more than the small 164,000-ton crop of 1957. Acreage in 1958 was down, partly because of too little rain to supply irrigation water at planting time, partly because of low fixed prices to farmers, high interest rates, and rigid price controls.

As production has slumped, rice needs have grown. Total consumption would have increased along with population in any case; yet per capita consumption too has increased. Not only has a shift toward rice been encouraged by rising prices of other staple foods; but Indians who have left the Sierra and settled on the coast have added rice to their diet.

China's action may be based on either confidence or desperation. The stakes and the risks are great. At the extremes, success would make China the most advanced Communist country in the world measured on a political and ideological scale. Success also implies strong advances in agriculture and industry. Conversely, failure could become at best a stunning setback to the Communists' hopes and plans; at worst, it could be a fatal error. The Communist leaders may figure that if the going gets tough, if the resistance proves too great, they can retrench temporarily and put the pressure on again when things appear less threatening.

Argentina Eats Most Meat; U.S. is Fifth

With a yearly per capita consumption of 242 pounds, Argentinians eat more meat than any other country in the world. The United States, which enjoys the highest standard of living, ranks fifth; its yearly per capita consumption is only 159 pounds. In between are Australia 223 pounds, New Zealand 220, Uruguay 188; and following along after the United States are Denmark 142, Canada 137, the United Kingdom 134, France 122, and West Germany 107.

With the exception of France, which has replaced Paraguay, the 10 top meat-eating countries are the same now (figures represent 1957 consumption) as they were before the war. But within the group there have been changes. Argentina has moved from third place prewar to first, whereas Australia has reversed its position by going from first to third. New Zealand has shown a level trend, and the United States, although it is eating 32 pounds more meat per person, was fifth just as it is today. Only one country, Uruguay, registered a serious drop in consumption; the prewar figure was 225 pounds compared with the current 168. What this comparison does not show is the significant rise that has taken place in Western Europe's meat consumption since the early postwar years.

Types of meat consumed vary sharply from one country to another. Although Argentinians eat the most meat, in 1957 they consumed only 19 pounds of pork per person as against 87 pounds in Denmark and 66 pounds in West Germany. U.S. pork consumption was 62 pounds that year.

New Zealand leads the world in mutton and lamb consumption, with a yearly per capita of 76 pounds, which is followed closely by Australia's 74 pounds. The United Kingdom, famed for its mutton-eating, averages only 22 pounds a year, and the United States a skimpy 4 pounds.

In beef, Argentina ranks first. Of the 242 pounds of meat consumed in 1957, 210 of them were beef. Australia and New Zealand come next.

Group watches combine harvesting in Maryland soybean field. Left to right, Ludvig Madsen, Copenhagen; Rolando Guzman, Santiago; Cornelis de Goede, Canberra; Hameed Farooqui, Karachi; farm owner Henry J. Osterman; Roberto Solis, Mexico City; Des Raj Gulati, New Delhi (also shown taking a closer look at the soybeans).

Photos by Wallace N. Dudley



A Visit to U.S. Agriculture

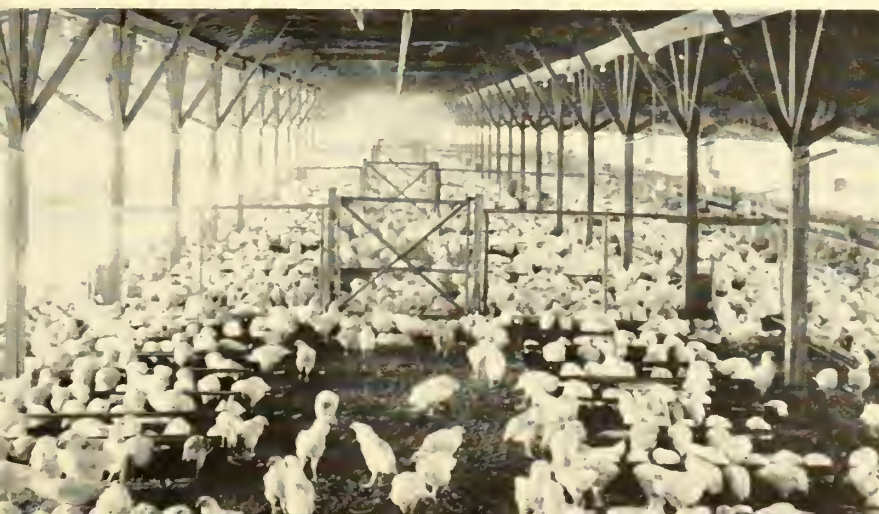
Six outstanding local employees from U.S. agricultural attaché offices were chosen to spend 4 weeks here last fall in the first FAS training school for foreign professionals. What they learned about the production and processing of U.S. farm commodities will help them do an even more useful job of providing information both to and about U.S. agriculture.



At Otis Esham's hatchery, Parsonsburg, Md., visitors examined newly hatched chicks soon to be broilers; and at his turkey farm, they admired a noble bird.



In Salisbury, Md., a top U.S. company raises and processes broilers. Above left FAS expert shows a ready-to-cook bird to one of the group; right, employee tells how the broiler house operates. Below, view of the 36,000-chick broiler house.



This Year's World Agricultural Situation

WORLD AGRICULTURAL PRODUCTION, after dropping slightly last year, will reach a new high in 1958-59. Present forecasts restore per capita production to the record reached 2 years earlier—3 percent above pre-war. Large stocks on hand add materially to the supplies available for consumption. Prices on world markets declined in 1957-58, and there was some decrease in world trade in farm products, reflecting a decline in demand for raw materials of farm origin and an increased production and heavy stocks of some foods. Though world agricultural trade may be maintained in 1958-59, stocks of several important commodities, including wheat, rice, feed grains, cotton, and coffee, are likely to be larger at the end than at the beginning of the season.

Production

World output of farm products in 1958-59 is forecast at the record level of 113 percent of the 1952-54 average—133 percent of 1935-39. All major regions except Western Asia and Eastern Europe contributed to the increase this year. Production per capita is up from last year in the Western Hemisphere, Western Europe, the Soviet Union, Mainland China, Africa, and Oceania. But in the Far East (excluding Mainland China), production gains only equaled population gains.

Favorable growing conditions in many parts of the world, coupled with continued improvements in techniques in various areas, are expected to bring striking increases in crop production in 1958-59. Record harvests are in prospect for wheat, rice, corn, sugar, apples and pears, citrus, soybeans, peanuts, cottonseed, coffee, and tea. Cotton production is estimated at only 1 percent

short of the record 1955-56 level. Most other major crops except tobacco are up from last year.

Prospects are also good for some increase in output of livestock products in the current season. Though little change is expected in beef, pork output will rise. Milk output should continue its upward trend if pasture conditions are average or better. Wool production is also likely to be larger this year than last, when drought reduced the clip in Australia and South Africa.

Stocks and Supplies

Supplies as well as production of food and feed should be at record levels. Wheat stocks on July 1, 1958, were below the 1956 and 1957 peaks but production of wheat is up so sharply that total wheat supplies are larger than ever before. The increase in rice production much more than offsets the expected decrease in the small rice stocks between January 1958 and 1959. Sugar stocks have probably not changed much. Coffee stocks at the end of the past marketing season reached their postwar peak. Feed grain stocks on July 1, 1958, were at a record high, and with increases in prospect for corn, barley, and oats, feed grain supplies will also set a record high.

Supplies of cotton, on the other hand, will be large but not at record levels. World stocks decreased in 1957-58 about as much as production is expected to increase this season, leaving supplies close to last year's level and about 3 percent under the 1956-57 high.

Demand

Consumption of most farm products will increase this season, though not as much as supplies. Demand for food

continues strong. It was little affected by the recession or a slowing down of economic activity in the industrialized countries of North America, Western Europe, and Japan.

Demand for raw materials for industrial uses has slackened somewhat, however. This has added to the balance of payments difficulties of many of the less developed countries, most of whom are still in the grip of inflation, resulting in part from efforts to finance development programs. The upward pressure on food prices in some of these countries has been relieved through imports under special programs. But shortage of foreign exchange remains a major obstacle to an increased flow of food from surplus countries to deficit areas in Asia and Latin America.

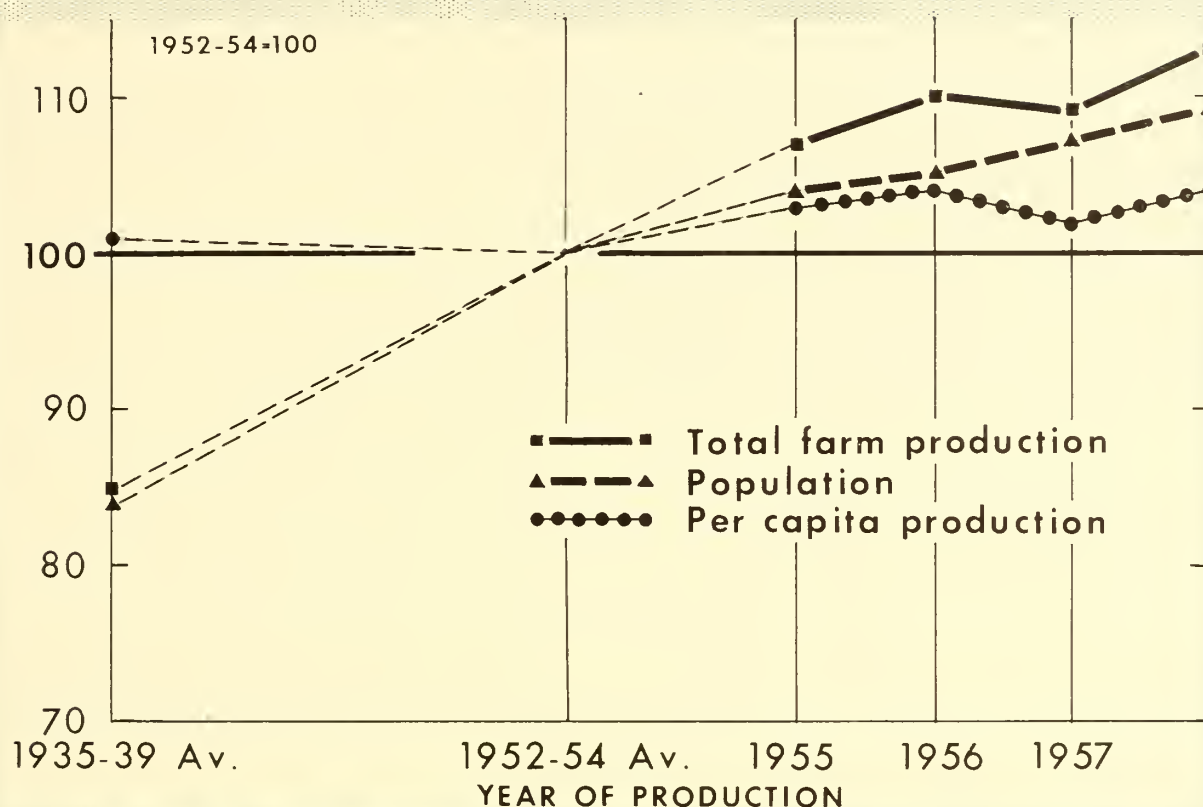
Protection of domestic farm prices rather than low income or balance of payments difficulties is the main factor limiting the demand for imported food by the industrialized countries. Though a few of them still have serious payments problems, most managed to improve their foreign payments position in 1957-58, and a number increased their gold and dollar holdings. They gained most of the \$1.7 billion increase in gold and dollar holdings of foreign countries. These holdings reached a record high of \$31.5 billion on June 30, 1958.

Prices

With exportable supplies of farm products in excess of import demand, prices on world markets declined, following a brief rise during the Suez crisis and its aftermath. The United Nations indices of average import and export unit values (1953=100) show a drop for food (excluding vegetable oils) from 101 in January-March 1957 to 94 in April-June 1958. For nonfood farm, forestry, and fishing products (including vegetable oils), the drop was from 105 to 92.

The decline was far from uniform. Butter prices, for example, fell by nearly one-third between July 1957 and June 1958, under the impact of heavily subsidized exports from a number of European countries. Prices of sugar, coffee, cotton, wool, and rubber also fell heavily. Grain prices, on the other hand, declined but little. Short

WORLD: Agricultural Production Catches Up With Population



USDA

FAS-NEG, 1814

crops of cocoa, copra, and flaxseed led to marked increases in the prices of these products.

Trade

World trade in farm products also declined somewhat in 1957-58 from the record level of the previous year. World exports of food and feed in 1958-59 should approach or perhaps exceed the 1957-58 volume. Taking of wheat in particular are likely to increase, as production is off in some of the major deficit areas, notably Western Europe. In contrast, world trade in fibers, especially cotton, is expected to be down.

Competition for world markets in 1958-59 may be accentuated by the export policies of the Soviet Union and Mainland China. Unusually good harvests in these countries account for a substantial part of the increase in crop production this year. Both should be in a position to export more in 1958-59 than in 1957-58. Whether they do will depend, as in the past,

on political as well as economic advantages to be gained.

Production Trends

For the world as a whole, agricultural production has just kept pace with population growth during the last 3 years. The great problem area, especially for food, is the Far East, where per capita production (excluding Mainland China) remains six points under prewar. Since prewar, this area has changed from a net exporter of food grain of some 3 million metric tons annually to a net importer of 9 million; the deficit is growing.

Outlook

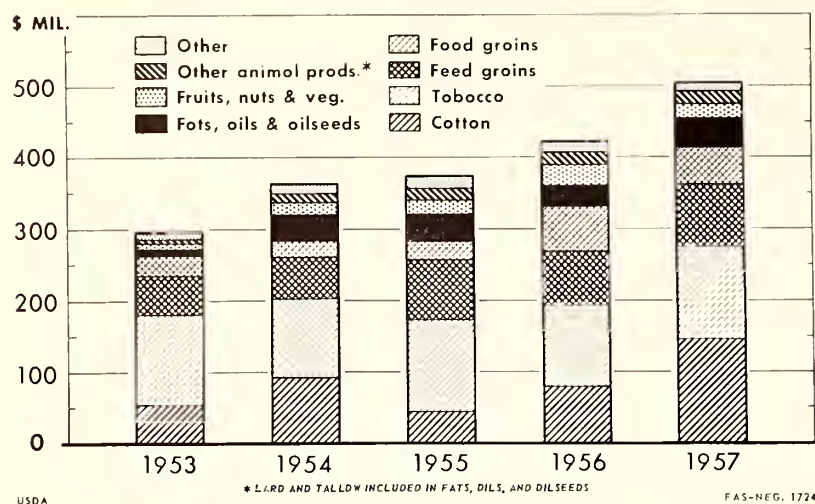
The long-range outlook is that this situation in the Far East is not likely to improve for many years and may even worsen considerably. The principal reasons for this are rapid population growth, exhausted soils, largely illiterate farm populations, lack of well-organized extension services, and inability to finance the construction of facilities for fertilizer production fast

enough to keep farm output in pace with population growth and consumption.

Many of the other less developed areas have similar problems in carrying out their agricultural expansion programs. Considerable progress is to be expected with the spread of improved farming methods, but time will be required for technological improvements to gain the momentum which has so greatly increased agricultural productivity in the industrialized countries during the past 2 decades.

The summary above is part of *The World Agricultural Situation, 1959*, which was issued by the Foreign Agricultural Service in December. This is an annual publication, designed to present a broad view of the outlook for agriculture the world over. Besides the world summary, the report contains a summary by regions and one by main farm commodities, emphasizing those important in world trade.

Cotton & Tobacco Major U.S. Exports In Expanding United Kingdom Market

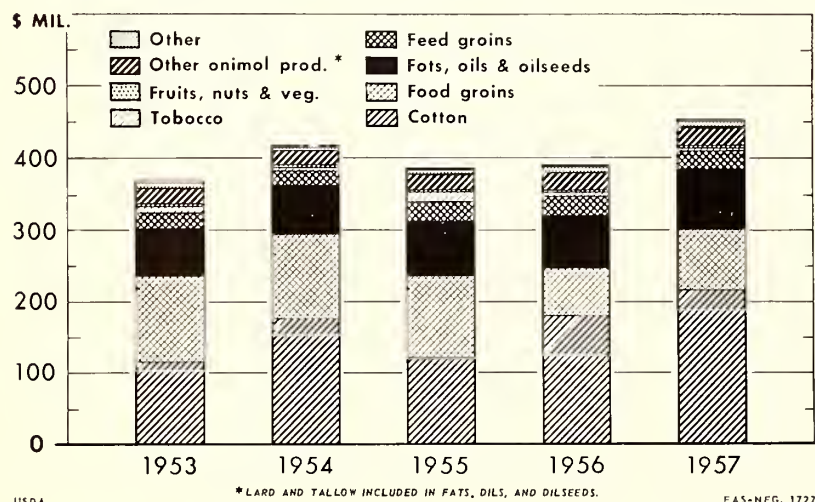


Where We Send

United Kingdom: No. 1 Market

The United Kingdom was the best customer for U.S. farm products in 1957 and demand continued strong in 1958. Gold and dollar holdings declined in the first three quarters of 1957, but measures taken late in the year have materially strengthened the U.K.'s foreign exchange position.

Cotton Accounts for Nearly Half U.S. Agricultural Exports to Japan

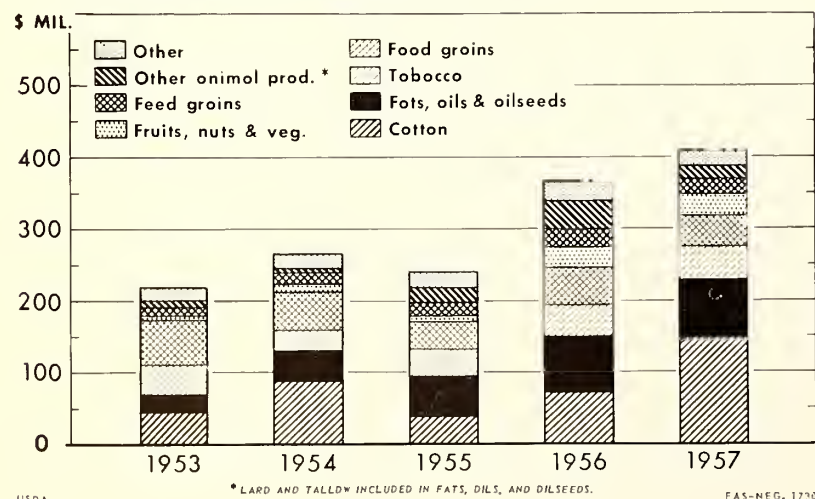


Japan: No. 2 Market

Japan, one of the world's leading importers of farm products, bought almost a third of its needs from the United States in 1957. In recent years, the United States has supplied half of Japan's combined imports of the "Big Nine" commodities (cotton, wheat, soybeans, barley, rice, corn, hides and skins, tallow, and tobacco).

Future imports will depend greatly on income levels and on Japan's ability to export industrial products.

Cotton and Fats and Oils Expand Most In U.S. Exports to W. Germany in 1957



West Germany: No. 3 Market

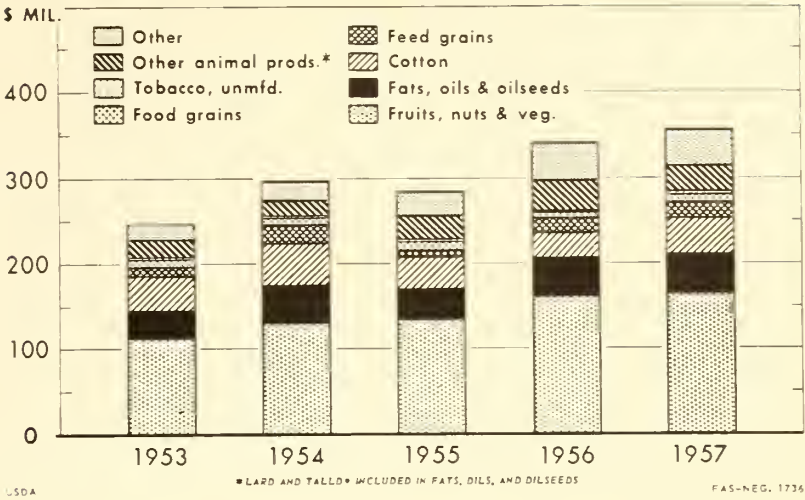
In 1957, the United States supplied 17 percent of West Germany's agricultural imports. But West Germany has long-term contracts with several countries, which are a first claim on its total import market, and which are made possible through quantitative controls. The country still retains these controls on some products despite its favorable economic position, but many products have been liberalized, thereby enlarging the opportunity for U.S. farm products to go to the West German market.

Our Farm Exports

Canada: No. 4 Market

Canada's agricultural imports rose sharply in the last decade as the rapid increases in population and national income stimulated demand for both home-produced and foreign farm products. The United States has shared largely in Canada's agricultural trade, supplying half its import market in 1957, with shipments at \$354 million.

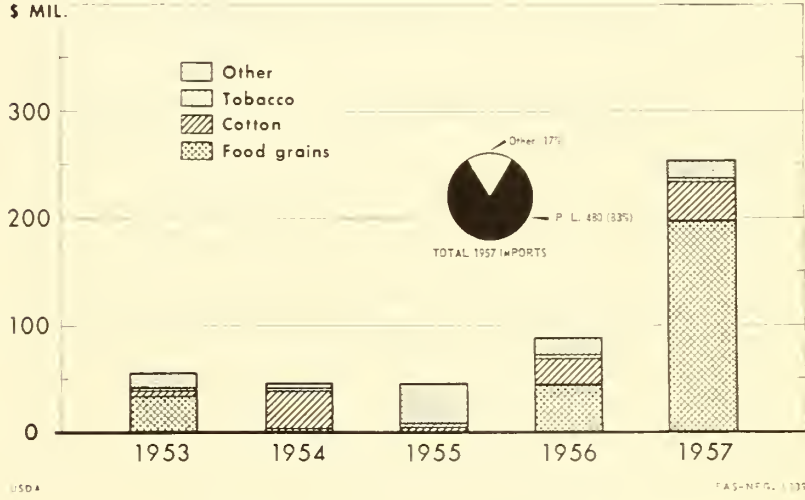
Fruits and Vegetables Lead Among Many U.S. Farm Exports to Canada



India: No. 5 Market

India has severe foreign exchange difficulties. Large foreign purchases of industrial equipment and capital goods to further its Second Five-Year Plan have advanced industrial output and in turn increased the demand for farm products. But farm output has been lagging and exports are down. To offset food shortages, the United States has supplied India with huge quantities of farm products under P.L. 480—in 1957, \$211 million worth, over two-thirds of which was wheat.

India's High 1957 Imports from U.S. Due to Shipments Under P.L. 480

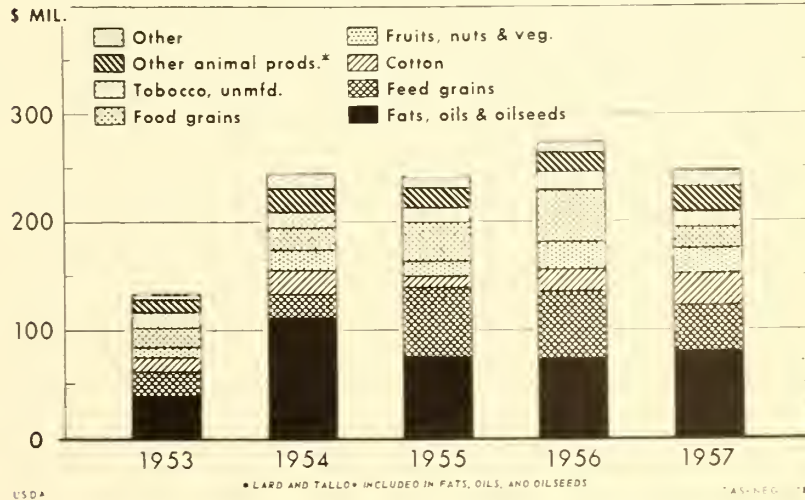


The Netherlands: No. 6 Market

Stability is the keyword to the Netherlands economic situation. Adjustments in its agriculture are designed to increase efficiency rather than overall production. It offers a good market to competitive U.S. farm products, such as wheat, citrus fruits, tobacco, and coarse grains. Other U.S. products, like fats and oils, are processed in the Netherlands and then most are re-exported to other countries.

(Adapted from Foreign Agricultural Trade Outlook Charts, 1959, FAS).

Declining U.S. Grain Exports Lower Trade With the Netherlands in 1957



Foreign PRODUCTION NEWS

Egypt expects its 1958-59 **cotton** crop to be the second largest in 21 years. The first estimate placed it at over 2 million bales (500 pounds gross). Most of the increase is in extra long staple Menoufi output—up 80 percent from 1957-58.

Colombia's National Committee of **Coffee** Growers has appointed a Commission to study the possibilities of growing substitute crops in the country's coffee regions. A group of technicians, mainly agronomists and economists, will work under the Commission's direction.

Mexico's 1958 **corn** crop is expected to set an alltime record of about 195 million bushels—20 percent larger than the 1957 crop and 38 percent above the 1950-54 average. Acreage was at a high level, and yields set a new record because of particularly favorable weather.

One of **Japan's** most urgent agricultural problems is disposing of its surplus **milk**. In 1958, total output reached about 3.5 billion pounds—an alltime high and 17 percent above 1957. The Ministry of Agriculture has cut fluid milk prices and will promote increased consumption. It will also discourage expansion in dairy farming and importing of dairy products for the next few years.

Ecuador's summer **coffee** and **cacao** crops have suffered as a result of bad weather. The coffee crop is expected to be down about 16 percent from 1957, and cacao is expected to fall short by about 17 percent.

Angola is studying the possibility of raising **dairy cattle** as a result of the successful introduction of foreign breeds. U.S. dairy breeds may be considered because they have proven adaptable to conditions similar to Angola's.

Tropical Africa

(Continued from page 5)

have indirect impact on the funds available for investment.

It is hardly likely that African cities will continue the phenomenal rate of growth that many of them have shown since the war. But the rate of urban growth will no doubt still be substantial; and the absolute increase in the number of people living in cities may well be even larger in the coming decade than in the one just past.

There are, however, a number of unpredictable factors that may in time limit imports of wheat and flour. Certain governments of tropical Africa might adopt more restrictive policies toward wheat and flour imports in the years ahead. In several territories, official circles appear uneasy about the rapid growth of wheat and flour imports. In part, this feeling is based on the increasing amount of foreign exchange—particularly dollars—needed for these imports; in part, it is concern lest the substantial dependence on them should mean serious difficulties if supplies were cut off by war.

Moreover, as economic and social development programs bring greater financial needs, some governments may resort to import duties on flour or wheat to get additional revenue. In Angola and the Federation of Rhodesia and Nyasaland, greater local production of wheat might in future years reduce import requirements, though significant production increases seem unlikely owing to the difficulties that wheat growing faces even in those relatively temperate districts of tropical Africa.

Important also will be factors influencing the import prices of wheat and flour, and those of rice as well. Needless to say, bread prices in Africa may be affected by changes in the world supply-demand situation for wheat. Wheat prices in exporting countries will probably continue to be influenced to a marked degree by government measures of price support, acreage restriction, and export subsidy. Special programs such as the local currency sales under U.S. Public Law 480, if made available in tropical African regions, might also make wheat or flour imports more attractive.

WORLD Agricultural Summaries

Corn. World corn production in 1958 was forecast at a new high of 7.1 billion bushels. More than half the world total was grown in the United States and large crops were reported for the Soviet Union and Mainland China. These three producers at present account for two-thirds of world output.

Wool. Global wool output, which declined in 1957 after 9 successive years of increases, was back up in 1958. The grease basis estimate of slightly over 5 billion pounds was about 1 percent above 1957, but below the 1956 record.

Flaxseed. The 1958 flaxseed crop—about 141 million bushels—was 10 percent larger than the small 1957 crop and 17 percent above the 1950-54 average. Principal expansion was in the United States and Canada.

Walnuts. Commercial walnut production by the three leading producers—France, Italy, and the United States—was substantially higher in 1958 than in 1957 when output in all three areas was below average. An accurate world production estimate is not available because reliable information is lacking on crops in such important areas as Red China, the Balkans, and India.

Cacao Beans. Estimated 1958-59 production of cacao beans is expected to total 1.9 billion pounds—1.5 million pounds above the 1957-58 total, but still less than the 1956-57 record of over 2 billion pounds.

Barley and Oats. The 1958 world barley and oats crop was larger than 1957 and sharply above average, although it was not up to the large 1956 crop. Combined production of the two grains was expected to total 144 million short tons. Both grains showed increases, but oats increased more.



U.S. Sells Breeding Cattle To Its Traditional Suppliers

U.S. registered dairy and beef breeding cattle are now going to markets that formerly shipped to the United States. For the first time in 40 years, Jersey cattle are being exported to Canada from six States. So far, the number of animals shipped has been small, but the volume is expected to increase.

England, an area which has normally furnished Hereford cattle to the United States, is now buying U.S. Herefords. Cattlemen are taking advantage of the improved U.S. breeds resulting from the vast testing and research programs being carried on in this country.

Argentina and Japan Sign Trade Agreement

Argentina and Japan have signed a commercial agreement for \$50 million in trade each way. Under the pact, Argentina will supply Japan with wool, corn, and wheat; in return it will get 350 locomotives and 1,000 tons of rails. It is said that Argentina will pay the first \$20 million of its purchases in 3 years and the rest over a 5-year period.

Bechuanaland Exporting Beef to the United Kingdom

Bechuanaland, a British protectorate in southern Africa, has started to ship frozen beef overseas. The United Kingdom was the first buyer.

Bechuanaland has been selling beef and beef products to the Union of South Africa, Rhodesia and Nyasaland, and the Belgian Congo for some time, and it has long been an exporter of live cattle to neighboring territories.

A new slaughtering plant at Lobatsi, with a capacity of 70,000 to 80,000 head a year, will aid the industry.

Canada Again Imports United States Turkeys

Canada, in the last part of 1958, imported 300,000 pounds of light-weight turkeys, mostly from the United States. These were the first foreign turkey purchases since July 1957, when imports were banned.

The Canadian Department of Agriculture, when announcing the quota, stated that importing light-weight or broiler turkeys would not hurt the market for Canadian stock because the Canadian birds were mostly heavier.

This quota authorization represents only a fraction of Canada's potential import demand. In 1956, the last full year before the ban was imposed, Canada imported 12 million pounds of fresh and frozen turkeys.

Drop in Argentine Peso Halts Imports of Brazilian Bananas

A recent sharp drop in the value of the Argentine peso has completely stopped imports of bananas from Brazil.

A bilateral trade pact, signed by the two countries in September 1958, provided for trade in fruit at free exchange rates and was expected to stimulate trade. At that time the peso was worth 3.30 Brazilian cruzeiros; later it dropped to 2.30 cruzeiros. But since there has been little change in Argentine peso prices for fruit, Brazilian exporters were losing money and consequently stopped harvesting fruit for the export market.

Yugoslavia Wants To Enter U.S. Canned Meat Market

With the hope of shipping canned meats to the United States, Yugoslavia is opening five new canning factories designed to process meat that will meet U.S. import standards.

Yugoslavia produced over 32 million

pounds of canned meat in 1957, and output in the first half of 1958 was 28 percent above the same period a year earlier. Exports have risen from a little over 4 million pounds in 1955 to nearly 25 million in 1957. The United Kingdom has been the best customer. It bought 6.6 million pounds of Yugoslav output in 1957.

New Zealand Ups Competition For Japanese Tallow Market

New Zealand is promoting its tallow trade with Japan. With mutton tallow production increasing, the country is expanding exports to maintain domestic prices. A new trade agreement between Japan and New Zealand places tallow on the automatic approval list.

The United States, traditionally Japan's major tallow supplier, furnished a smaller share of the Japanese market in 1958 than in the previous year. The U.S. share slipped from 86 percent to 83 percent. At the same time, total Japanese tallow imports dropped 16 percent.

Argentina Trades Farm Goods For Communist-Bloc Products

Argentina is expanding its trade with the Communist nations of Eastern Europe. So far this year, agreements have been signed with Bulgaria, Rumania, and East Germany; an accord for a future trade agreement was signed with Poland; and a trade mission is now discussing direct trade with the USSR.

All of the agreements will exchange Communist industrial and manufactured items for Argentine agricultural products. Russia has offered Argentina \$100 million worth of oil-field equipment, but what Russia wants in return is not yet known.

Australia Ships India Wheat Under the Colombo Plan

Australia is sending 9,000 tons of wheat, valued at equivalent \$672,000, to India under the Colombo Plan. The gift will help ease near-famine conditions caused by drought and a short harvest in some Indian provinces.

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TROPICAL AFRICA: POPULATION, VALUE OF EXPORTS, AND PER CAPITA FLOUR CONSUMPTION, BY TERRITORY

Territory	Population ¹			Per capita value of all exports 1953-55	Per capita flour consumption ³	
	Total	Ratio of urban to total ²	Ratio of European to total		Average 1951-54	1957
	Thousands	Percent	Percent	U.S. dollars	Kg. per year	Kg. per year
Ghana	4,112	12.0	0.1	56.6	6.3	10.7
Federation of Rhodesia and Nyasaland	6,340	9.9	2.8	64.2	⁴ 7.2	⁴ 9.3
Angola	4,066	6.1	1.9	25.7	3.7	5.9
French West Africa	17,299	9.6	.4	17.4	3.3	5.1
French Cameroons	3,064	5.8	.4	27.6	3.8	4.8
Sierra Leone	1,972	4.8	—	15.6	2.0	4.6
Gambia	252	7.7	—	26.7	4.6	4.3
Madagascar	4,415	9.8	.6	19.1	3.1	4.3
Belgian Congo	11,593	8.0	.6	34.1	1.6	2.8
French Equatorial Africa	4,412	5.3	.5	14.7	1.6	2.5
Mozambique	5,669	2.8	.8	9.3	2.1	⁵ 1.9
Nigeria	25,995	9.4	—	12.6	.7	1.4
Liberia	1,648	1.2	—	25.7	.6	.9
Total, or average	90,837	8.7	.6	—	2.5	3.8

¹ As of about 1950. From Glenn T. Trewartha and Wilbur Zelinsky, "Population Patterns in Tropical Africa," *Annals of Association of American Geographers*, June 1954.

² Based on population of towns with 5,000 or more inhabitants.

³ Based on net imports in terms of flour. For Angola and the Federation of Rhodesia and Nyasaland, includes also flour from domestic wheat production, as follows: 6,000 and 2,000 tons for 1951-54; 10,000 and 2,500 for 1957.

⁴ Estimated per capita consumption of African population only, 5.2 kg. in 1951-54 and 6.8 in 1957.

⁵ Based on January-November imports.